



Office of Water Services
Centre City Tower
7 Hill Street
Birmingham B5 4UA

Charges Control Division

The Managing Director of
Water Companies

5 February 1990

PRINCIPAL STATEMENT: AUDITORS REPORT

Following Chris Bolt's letter of 19 December setting out our proposed format for the Principal Statement and his further letter of 22 December addressing a number of general queries, I am now writing to send you a model form of words for your Auditors Report. We have had several queries from auditors on the wording of their report and I hope this model wording will be useful.

Principal Statements should be delivered to this office no later than one month after your 'K' is determined by the Secretary of State, accompanied by:

- (i) the auditors report
- (ii) a hard copy of the WBILLXXX spreadsheet
- (iii) and a floppy disc containing the same information.

Principal Statements sent ahead of the determinations of 'K' or without an auditors statement will not be considered.

Any proposed changes to tariff structures should be notified, with an explanation of the policy behind the changes, ahead of the Principal Statement itself.

Queries on the Principal Statement should be addressed to me on 021 625 1344.

Fiona Pethick

F H Pethick.

MODEL AUDITORS REPORT

**[APPOINTEES NAME]: AUDITORS REPORT ON THE PRINCIPAL STATEMENT
FOR THE CHARGING YEAR 1990/91**

We have examined the Principal Statement and supporting calculations for the charging year 1990/91, a copy of which is attached, in accordance with condition B of the Instrument of Appointment by the Secretary of State for [the Environment/Wales] (the Licence) of [Appointees name] (the Appointee) as a water undertaker under the Water Act 1989.

In our opinion the details set out in the Principal Statement and supporting calculations have been:

- (i) correctly extracted from the Appointees's accounting and other relevant records: and
- (ii) correctly calculated in accordance with Condition B of the Licence.